

BUDGET LETTER

NUMBER: 96-19

SUBJECT: 1997-98 GENERAL ADMINISTRATIVE COSTS (PRO RATA)

DATE ISSUED: OCTOBER 18, 1996

REFERENCES:

SUPERSEDES:
BUDGET LETTER 95-16

TO: Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

NOTE: DEPARTMENTAL BUDGET OFFICERS, ACCOUNTING OFFICERS, AND DOF BUDGET ANALYSTS WILL RECEIVE A COPY OF THIS TRANSMITTAL LETTER WITH THE ASSESSMENTS. THE ASSESSMENTS WILL NOT BE ATTACHED FOR OTHER RECIPIENTS OF THIS BUDGET LETTER

FROM: DEPARTMENT OF FINANCE

Attached (see above note) is the **1997-98 Pro Rata** assessment for each billable and nonbillable fund as calculated by the Fiscal Systems and Consulting Unit (FSCU). Pro Rata is the apportionment of central service costs (e.g., Finance, Controller, Personnel Board, Legislature) incurred by the General Fund and billable to other funds. The attachment identifies central service functions and costs. For those agencies without a 1997/98 Pro Rata assessment, attachments will not be included with this Budget Letter.

Each quarter, the Controller transfers from a department's appropriation(s) the Pro Rata charges for billable funds, as provided by FSCU. Pro Rata apportionments are made to nonbillable funds for information purposes. Nonbillable funds are usually General Fund or federal funds.

Accurate budgeting of the Pro Rata assessment(s) remains a department's responsibility. If the amount(s) assessed differs from the existing baseline budget for a specific fund, departments must coordinate with their Department of Finance (DOF) budget analyst for adjustments to their planning estimate(s). The Supplementary Schedule of Operating Expenses (Schedule 11) must reflect the correct 1997/98 Pro Rata assessment. DOF budget analysts will work with departments to ensure that appropriate funding adjustments are made and verify that the Schedule 11 accurately reflects the Pro Rata assessment(s).

Additionally, departments are responsible for the State's full cost recovery policy. See State Administrative Manual Sections 8752 -8758 for instruction on the billing process for work performed by others and elements to be included in departmental billing rates.

FSCU sponsors workshops for departments on Pro Rata, the Statewide Cost Allocation Plan (SWCAP) and Indirect Cost Rate Proposals (ICRPs), including information from the Office of Management and Budget Circular A-87. Accounting and budgeting staff in each department are encouraged to attend.

The workshops are scheduled as follows: (Location: 915 L St., DOF Main Conference Room)

- Workshop A - November 6, 1996 1:30 P.M. to 3:30 P.M.
- Workshop B - November 7, 1996 1:30 P.M. to 3:30 P.M.

To register for a workshop and discuss any questions regarding Pro Rata, contact John Hiber at (916) 445-3434, extension 2145.



Carl Rogers
Program Budget Manager

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Upcoming Budget Letters

- Section 11.00 Information Technology Contracts